

DIVERSIFICATION AS A STRATEGY FOR SUSTAINABLE ENTERPRISE DEVELOPMENT

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Annotation. This article discusses the concept of diversification, the purpose of diversification, stock market portfolio diversification, and the benefits of diversification.

Key words: diversification, stock portfolio diversification, the first goal of diversification, the benefits of diversification.

Аннотация. В этой статье обсуждается концепция диверсификации, цель диверсификации, диверсификация портфеля фондового рынка и преимущества диверсификации.

Ключевые слова: диверсификация, диверсификация портфеля акций, первая цель диверсификации, преимущества диверсификации

Diversification is one of the first words that anyone who starts to be interested in investments hears. The English-language term diversity literally translates as "diversity". Diversification is well explained by the well-known saying: "Don't put all your eggs in one basket." The term is used in many areas. Diversification is carried out to achieve higher production efficiency, economic benefits, termination of bankruptcy and other similar purposes.

The first goal of diversification is to reduce risks. If we talk about the stock market, the more different assets you acquire, the less you will be hit by a decrease in the price of each of them. And the higher the probability that you will compensate for this drawdown by increasing the value of other assets.

The second goal is the search for new profitable areas, the occupation of promising niches. However, this approach is fraught with dangers, and it is necessary to embark on the path of diversification very carefully. It is not always the success of a company in one type of activity that can ensure its success in another.

Stock portfolio diversification is the formation of an investment portfolio of a certain number of securities in order to reduce the possible loss due to a decrease in the price of one or more securities.

Also, the diversification of the securities portfolio in the stock market can be included not only in the value of individual securities included in the investment portfolio, but also in the income of the entire portfolio.

Some documents selected in the portfolio in accordance with the investment strategy can demonstrate the dynamics much better, they can be profitable compared to other documents in terms of the overall profitability of the investment portfolio.

In the process of forming an investment portfolio in the stock market, the following questions arise: how many documents should be in the investment portfolio and what should be the share of each share?

Some investors, such as W. Buffett, believe that an investment portfolio should contain 3-5 shares of different companies.

Diversification, including investing in their weaker sectors, shows significantly higher market performance. Diversification is often seen as a way to reduce risk.

In the academic literature, one can find some of the most common arguments about whether all the benefits of diversification are being achieved:

- "Portfolio managers overdo it and are unable to accumulate financial resources for a large number of assets. If 10 or 15 different assets were selected for the portfolio, then the maximum profit from diversification was obtained. Increasing the number of assets in the portfolio is an excessive diversification that should be avoided."

- "Proper diversification does not require investing in too many different industries or stocks... a diversified (i.e. risky) portfolio of eight or nine stocks."

- "When the number of stocks in the portfolio increases to nine, the diversified risk almost completely disappears."

- "A well-diversified portfolio should have at least 30 shares per operator, with risk-free lending at least 30 shares per operator." It is clear that the "quality" of diversification can be subtracted from the overall risk of losses, which will undoubtedly vary from one national stock market to another. For example, for stock markets such as Switzerland and Italy, a high percentage of systematic risk is characterized by investment risk, on the contrary, for the markets of America and the Netherlands. He works in these markets and under the influence of diversification. The maximum benefit from diversification can be obtained by working in the international market. Most investors ignore the obvious advantages of diversification, as it relates to our review of Eurocement - A Review of Heuristics. Millions of assets are tied to national stock markets, where investors form portfolios. It turns out that investors tend to invest almost everything (or most of it) of their funds to the assets of the country of which they are citizens. This behavior completely ignores the recommendations of modern portfolio investment theory on international portfolio diversification.

The method of portfolio diversification primarily depends on the amount of funds. The dependency is simple: the larger the amount, the more investment options. When choosing a method of diversification, it is necessary to determine investment goals: do you want to get the maximum profit or overtake inflation by a couple of

percent in terms of profitability? The method of diversification should also be determined based on the attitude to investment risk.

It may not be easy for a novice investor to independently form an effective and balanced portfolio. In this case, the advice of an investment consultant and a ready-made diversification strategy from brokers can help. In this case, it is better to seek professional help.

In the program of the strategy of action on the five priority areas of development of the Republic of Uzbekistan for 2017-2021, chosen by the head of our state, it is necessary to pursue an active investment policy aimed at modernization of production, technical and technological renewal, implementation of production projects and high rates of development of high-tech processing industries, primarily the production of finished products with high added value based on deep processing of local raw materials.

According to the results of the assessment for the period 2010-2021, the index of diversification of industrial exports increased from 4.82 to 5.76. In 2010, half of the exports of industrial products accounted for mineral fuels and cotton, and in 2021 the share of these products was 22 percent.

Uzbek industry has managed to expand and diversify exports. At the same time, there are great opportunities and reserves for achieving better results in the future. These reserves can be used objectively due to active integration into changing external conditions.

The main task of the reforms carried out today is, as the head of our state noted, the outstripping development of industry through the implementation of fundamental structural transformations in the economy and achieving its share in the gross domestic product in 2030 to 40%. It consists in reducing the amount of energy consumed per product by about 2 times.

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